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SEC FILE NUMBER

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

| REPORT FOR THE PERIOD BEGIN | NING 01/0: | 1 / 0.3 MM/DD/YY | AND ENDING_ | 12/31/03 MM/DD/YY |
|---|--------------------|------------------------|------------------------|---|
| A | A. REGISTRA | NT IDENTIF | ICATION | |
| NAME OF BROKER-DEALER: | Brookwood S | Securities | Partners, L. | P. OFFICIAL USE ONLY |
| ADDRESS OF PRINCIPAL PLACE O | OF BUSINESS: (| (Do not use P.O. | Box No.) | FIRM I.D. NO. |
| 50 Dunham Road | | | | |
| | | (No. and Street) | | |
| Beverly | | MA | | 01915 |
| (City) | | (State) | | (Zip Code) |
| NAME AND TELEPHONE NUMBER Eve M. Trkla | R OF PERSON T | | REGARD TO THIS | REPORT 978-927-8300 (Area Code - Telephone Number |
| В | . ACCOUNTA | ANT IDENTIF | ICATION | |
| INDEPENDENT PUBLIC ACCOUNT BDO Seidman, LLP | FANT whose opi | nion is contained | in this Report* | Þ |
| | (Name – if | individual, state lass | t, first, middle name) | · · · · · · · · · · · · · · · · · · · |
| 150 Federal Street, 9 | th Floor, | Boston | MA | 02110-1745 |
| (Address) | (Cit | y) | (State | e) (Zip Code) |
| CHECK ONE: | | | | |
| Certified Public Accou | ntant | | | PROCESSED |
| ☐ Public Accountant | | | | - F |
| ☐ Accountant not residen | t in United States | or any of its pos | sessions. | MAR 1 6 2004 |
| | FOR O | FFICIAL USE | ONLY | FINANCIAL |
| | | | | |

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

M

OATH OR AFFIRMATION

| I, _ | | Eve M. Trk | kla | , swear (or affirm) that, to the best of |
|------------------------------|--------|----------------------------------|--|---|
| my | knov | wledge and belie | ef the accompanying financial st | atement and supporting schedules pertaining to the firm of |
| |] | Brookwood | | , as |
| of_ | 1 | December 3 | 31 | , 20 <u>03</u> , are true and correct. I further swear (or affirm) that |
| neit | ther | the company no | or any partner, proprietor, princi | oal officer or director has any proprietary interest in any account |
| clas | ssifie | d solely as that | of a customer, except as follows | : |
| | 1 | N/A | | |
| | | | | |
| | . mag. | | | |
| | | | | Every Like |
| | = 17 | Christina M | Marie Marshall | Signature |
| | Ĥ | NOTAR' | RY PUBLIC | |
| | W | Essex County. My Commission Ext | r. Massachusetts xpires April 2, 2010 | <u>Chief Financial Officer</u> Title |
| | W. | Mill M Motary Pt | and Marshau | |
| Thi | is rep | ort ** contains | (check all applicable boxes): | |
| 図 | • • | Facing Page. | | |
| \(\frac{\lambda}{\text{X}}\) | | Statement of Fi | inancial Condition. | |
| 贫 | | | Changes in Financial Condition. | |
| 赵 | (e) | Statement of C | Changes in Stockholders' Equity | or Partners' or Sole Proprietors' Capital. |
| MUNINAMA | | | Changes in Liabilities Subordinat | ed to Claims of Creditors. |
| | 100 | Computation of | • | juirements Pursuant to Rule 15c3-3. |
| | | | | rol Requirements Under Rule 15c3-3. |
| | | A Reconciliation | on, including appropriate explar | ation of the Computation of Net Capital Under Rule 15c3-3 and the |
| · — | (1.) | | | Requirements Under Exhibit A of Rule 15c3-3. |
| | (K) | consolidation. | | dited Statements of Financial Condition with respect to methods of |
| 図 | (l) | An Oath or Aff | | |
| | | | SIPC Supplemental Report. | |
| Ш | (n) | A report describ | ibing any material inadequacies fo | und to exist or found to have existed since the date of the previous audit. |

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Financial Statements and Supplemental Material Years Ended December 31, 2003 and 2002

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BDO Seidman, LLP Accountants and Consultants 150 Federal Street 9th Floor Boston, Massachusetts 02110-1745 Telephone: (617) 422-0700 Fax: (617) 422-0909

BDO Seilman LZP

Independent Auditors' Report

To the Partners of Brookwood Securities Partners, L.P.

We have audited the accompanying statements of financial condition of Brookwood Securities Partners, L.P. (the "Partnership") as of December 31, 2003 and 2002, and the related statements of income, changes in partners' equity and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookwood Securities Partners, L.P. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental material on Page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

January 28, 2004

Statements of Financial Condition

| December 31, | 2003 | 2002 |
|---|----------------------------|---------------------------|
| Assets | | |
| Cash and cash equivalents | \$1,020,844 | \$212,697 |
| Due from affiliates | 2,722 | 68,850 |
| Prepaid expenses and other assets | 15,380 | 13,133 |
| Total assets | \$1,038,946 | \$294,680 |
| Commissions payable | | |
| Commissions payable | | |
| • | \$ 224,444 | \$ 1,991 |
| Accounts payable and accrued expenses | \$ 224,444 66,265 | \$ 1,991 19,092 |
| | , | , |
| Accounts payable and accrued expenses Total liabilities | 66,265 | 19,092 |
| Accounts payable and accrued expenses | 66,265 | 19,092 |
| Accounts payable and accrued expenses Total liabilities Partners' equity: | 66,265 290,709 | 19,092 21,083 |
| Accounts payable and accrued expenses Total liabilities Partners' equity: General partner | 66,265 290,709 7,482 | 19,092 21,083 2,736 |

See accompanying notes to financial statements.

Statements of Income

| Years ended December 31, | 2003 | 2002 |
|----------------------------|-------------|-------------|
| Revenues: | | |
| Commissions | \$3,126,925 | \$1,554,225 |
| Residual income | 80,163 | - |
| Interest income | 5,393 | 11,207 |
| | 3,212,481 | 1,565,432 |
| Expenses: | | |
| Broker salaries | 2,323,401 | 946,927 |
| General and administrative | 274,440 | 161,219 |
| | 2,597,841 | 1,108,146 |
| Net income | \$ 614,640 | \$ 457,286 |

See accompanying notes to financial statements

Statements of Changes in Partners' Equity

| Years ended December 31, 2003 and 2002 | General Partner | Limited Partner | Total Partners' Capital |
|--|--------------------|--------------------|-------------------------------|
| Balance at December 31, 2001 | \$ 10,663 | \$ 1,055,648 | \$ 1,066,311 |
| Distributions | (12,500) | (1,237,500) | (1,250,000) |
| Net income | 4,573 | 452,713 | 457,286 |
| Balance at December 31, 2002 | 2,736 | 270,861 | 273,597 |
| Distributions | (1,400) | (138,600) | (140,000) |
| Net income | 6,146 | 608,494 | 614,640 |
| Balance at December 31, 2003 | \$ 7,482 | \$ 740,755 | \$ 748,237 |

See accompanying notes to financial statements.

Statements of Cash Flows

| Years ended December 31, | 2003 | 2002 |
|--|-------------|-------------|
| Cash flows from operating activities: | | ı |
| Net income | \$ 614,640 | \$ 457,286 |
| Adjustments to reconcile net income to net cash provided | , , , | , |
| by operating activities: | | |
| Changes in operating assets and liabilities: | | |
| Due from affiliates | 66,128 | (43,788) |
| Prepaid expenses and other assets | (2,247) | (2,779) |
| Commissions payable | 222,453 | (12,775) |
| Accounts payable and accrued expenses | 47,173 | (920) |
| Net cash provided by operating activities | 948,147 | 397,024 |
| Cash flows from financing activities: | | |
| Partner distributions | (140,000) | (1,250,000) |
| Net cash used by financing activities | (140,000) | (1,250,000) |
| Net increase (decrease) in cash and cash equivalents | 808,147 | (852,976) |
| Cash and cash equivalents, beginning of year | 212,697 | 1,065,673 |
| Cash and cash equivalents, end of year | \$1,020,844 | \$ 212,697 |

See accompanying notes to financial statements.

Notes to Financial Statements

1. Organization

Brookwood Securities Partners, L.P. (the "Partnership"), is a limited partnership organized under the laws of the State of Delaware for the purpose of serving as a broker-dealer in the sale of ownership interests in direct participation programs in accordance with paragraph (a)(2)(vi) of SEC Rule 15c3-1. The Partnership was organized on September 23, 1993, and commenced operations on April 14, 1994, upon receipt of its operating license from the National Association of Securities Dealers, Inc. The programs are managed by affiliates of the Partnership. The general partner, Brookwood Securities Co., Inc. owns 1% of the partnership interests, and the limited partner, Brookwood Financial Partners, L.P. owns the remaining 99% of the partnership interests.

2. Summary of Significant Accounting Policies

Financial Reporting

The financial statements of the Partnership have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents For purposes of the statements of cash flows, cash investments with a maturity, at date of purchase, of three months of less are considered to be cash equivalents.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition The Partnership earns commissions and non-accountable expense reimbursement revenue if and when direct participation programs for which the Partnership acts as the placement agent are fully capitalized.

Income Taxes

The Partnership is not subject to Federal or state income taxes. Each partner is required to report on its Federal and state income tax returns its share of the Partnership's income, gains, losses, deductions and credits. Accordingly, there is no provision for income taxes in the accompanying financial statements.

3. Net Capital Requirements

The Partnership, as a registered broker-dealer in securities, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1). This rule requires the maintenance of minimum net capital of \$5,000 for the Partnership and that the ratio of aggregate indebtedness to net capital, as defined, shall not exceed 15 to 1 and also provides that equity capital may not be withdrawn or cash dividends paid if the resulting ratio of aggregate indebtedness to net capital would exceed 10 to 1. At December 31, 2003, the Partnership had \$730,135 of net capital which was \$725,135 in excess of required net capital. The Partnership's aggregate indebtedness to net capital ratio was .40 to 1 as of December 31, 2003.

4. Reserve and Control Requirements

The Partnership is in compliance with the exemptive provisions of the Securities Exchange Act of 1934 rule 15c3-3, the "Computation for Determination of Reserve Requirements" and the schedule of "Information for Possession or Control Requirements."

Supplemental Material

Computation of Net Capital and Required Net Capital under Rule 15c3-1 of the Securities Exchange Act of 1934

| Year ended December 31, | 2003 |
|--|-----------|
| Net partners' capital: | |
| Total partners' equity qualified for net capital | \$748,237 |
| Less non-allowable assets | 18,102 |
| Net capital | \$730,135 |
| Aggregate indebtedness: | |
| Commissions payable | \$224,444 |
| Accounts payable and accrued expenses | 66,265 |
| | |
| Total aggregate indebtedness | \$290,709 |
| Computation of basic net capital requirement: | |
| Minimum net capital required | \$ 5,000 |
| | |
| Excess net capital at 1,000 percent | \$701,064 |
| | |
| Ratio: Aggregate indebtedness to net capital | .40 to 1 |

Reconciliation with Partnership's computation (included in Part II or IIA of Form X- 17A-5 as of December 31, 2003):

There was no material difference between the Partnership's computation of net capital and minimum net capital required as included in Part IIA of Form X-17A-5 as of December 31, 2003.

See independent auditors' report.